



FCA publishes Future Approach to Consumers

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The Financial Conduct Authority (FCA) has today published its '[FCA Mission – Our Future Approach to Consumers](#)'.

When the FCA launched its Mission, it committed to publishing a series of documents that would explain its approach to regulation in more depth.

The FCA's Approach to Consumers is the first in this series, and explores the approach to regulating for consumers.

The FCA has opened a consultation on its Approach document to ensure that the proposed approach will truly help meet the needs of consumers. The consultation will close on 5 February 2018 and we will publish the final Approach to Consumers in 2018.

The FCA wants to see markets where:

- High-quality, good value products and services that meet consumers' needs are available.
- Consumers can buy the products and services they need and the way in which they are sold is clear, fair and not misleading.
- The needs of vulnerable consumers are taken into account.

The Approach is based around the following core ideas:

Firm and consumer responsibility

Our starting point is for firms to treat customers fairly. The financial products and services consumers need should be available, marketed and sold in a way that allows them to make informed choices. However, we also expect consumers to take reasonable responsibility for the decisions they make about the financial products and services they buy. We know some people face challenges which mean they may not make the best decision for their particular needs. Firms must not exploit these customers and should exercise extra care where consumers may be vulnerable.

Regulating for vulnerable consumers

Consumers in vulnerable circumstances may be significantly less able to represent their own interests than the average consumer, and more likely to suffer harm. Any consumer can become vulnerable at any time in their life, for example through serious illness, bereavement or loss of income. The FCA expects firms to pay attention to possible indicators of vulnerability and have policies in place to deal with consumers where those indicators suggest they may be at greater risk of harm.

Keeping pace with a changing environment

Changes such as new technologies are having an impact on how both firms and consumers make decisions. The FCA therefore approaches regulation taking into account the different needs of consumers based on their circumstances whilst providing as much certainty as possible to firms. The FCA will use behavioural economics and Data Sciences to ensure our Approach to regulation is fit for today and the future.

Having regard to access and tackling exclusion

Some consumers can find that they are inadvertently excluded from participating in financial services due to their specific characteristics or circumstances. The FCA will seek to develop practical strategies to tackle access problems, working with firms and stakeholders to do so. This will include the FCA looking at our own rules, but also ensuring they are being interpreted correctly.

Delivering better outcomes for all consumers

Delivering good outcomes for vulnerable and excluded consumers requires co-operation between firms, consumers and the FCA.

Andrew Bailey, FCA Chief Executive, said: 'Our Mission explained that we act where we can add the greatest public value and have the greatest impact. Today's paper focuses on how we can deliver better consumer outcomes through our interventions and tackle the areas of greatest harm. There are limits to what we can achieve on our own. We will work with others – industry, Government and other agencies – to address complex issues like vulnerability and financial exclusion.'

Notes to editors

1. The FCA Mission – [Our Future Approach to Consumers](#).
2. The [Financial Lives 2017 survey report](#).
3. The [Ageing Population and Financial Services Occasional Paper](#).
4. The FCA's [Mission](#).
5. On 1 April 2013, the FCA became responsible for the conduct supervision of all regulated financial firms and the prudential supervision of those not supervised by the Prudential Regulation Authority (PRA).
6. The FCA has an overarching strategic objective of ensuring the relevant markets function well. To support this it has three operational objectives: to secure an appropriate degree of protection for consumers; to protect and enhance the integrity of the UK financial system; and to promote effective competition in the interests of consumers.
7. Find out more information [about the FCA](#).

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